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9 STATE FARM GENERAL INSURANCE COMPANY

10 UNITED STATES DISTRICT COURT

11 CENTRAL DISTRICT OF CALIFORNIA

12 WILLIAM TONG; and MALINEE) Case No.: 2:24-cv-02219-DSF-MAR
13 DIBBAYAWAN,)
14 Plaintiffs,) **DISCOVERY MATTER**
15 vs.)
16 STATE FARM GENERAL) **DECLARATION OF SANDRA E.**
17 INSURANCE COMPANY; and DOES) **STONE IN SUPPORT OF**
18 1 to 10,) **DEFENDANT STATE FARM**
19) **GENERAL INSURANCE**
20 Defendants.) **COMPANY'S MOTION FOR**
21) **ENTRY OF PROTECTIVE ORDER**
22)
23) Date: January 15, 2025
24) Time: 11:00 a.m.
25) Courtroom: 790
26)
27) Discovery Cutoff: 5/12/25
28) Pre-Trial Conference: 9/8/25
29) Trial: 10/7/25
30)
31) Complaint filed: March 19, 2024

32 **DECLARATION OF SANDRA E. STONE**

33 I, Sandra E. Stone, declare the following:

1 1. I am an attorney licensed to practice before all the courts of the State
2 of California, and a partner at the law firm of Pacific Law Partners, LLP,
3 attorneys of record for Defendant State Farm General Insurance Company
4 (hereinafter “State Farm”) in the action titled *Wise et. al. v. State Farm General*
5 *Insurance Company*, which was pending in the Northern District of California as
6 Case No. 4:23-cv-00163-HSG,. I have personal knowledge of the facts
7 hereinafter set forth and, if called to testify, I could and would competently
8 testify thereto.

9 2. The *Wise* matter involved a dispute between insureds E. Verrick
10 Wise and Noel Russell (“Plaintiffs”) and their insurer State Farm. Because
11 Plaintiffs served institutional discovery on a variety of topics including State
12 Farm’s training and guidelines, the parties agreed to stipulate to a protective
13 order.

14 3. Plaintiffs’ counsel, Kerley Schaffer LLP, drafted the Protective Order
15 and after meeting and conferring, the parties signed and filed the proposed
16 Stipulation and Protective Order (“Protective Order”).

17 4. The *Wise* court signed and entered the Protective Order on November
18 14, 2023.

19 5. Consistent with the terms of the Protective Order, State Farm
20 produced to Plaintiffs’ counsel a variety of confidential documents (“Protected
21 Material”). State Farm clearly marked all confidential documents as such,
22 indicating on each page the case name and that they were “Confidential Produced
23 Pursuant to Protective Order.” In addition, the documents were bates stamped
24 “WISEV000000#PROD”.

25 6. At no time during the litigation did Plaintiffs’ counsel challenge the
26 designation of any of the Protected Material as confidential.

27 7. The Parties resolved the *Wise* matter and a Notice of Settlement was
28 filed on January 18, 2024. A Joint Stipulation of Dismissal with Prejudice was

1 filed on February 2, 2024.

2 8. Consistent with the Protective Order, within sixty (60) days of final
3 disposition, Plaintiffs' counsel was obligated to either return all Protected
4 Material or destroy such material. In addition, they were required to "submit a
5 written certification to the Producing Party by the 60 day deadline that (1)
6 identifies (by category, where appropriate) all the Protected Material that was
7 returned or destroyed and (2) affirms that the Receiving Party has not retained
8 any copies, abstracts, compilations, summaries or any other format reproducing
9 or capturing any of the Protected Material." Counsel was permitted to retain an
10 archival copy of all pleadings and deposition exhibits, even if such materials
11 contain Protected Material. However, all archival copies containing Protected
12 Material remained subject to the Protective Order.

13 9. On February 6, 2024, I sent Plaintiffs' counsel Dylan Schaffer and
14 Chris Carling an email reminding them of their obligations under the Protective
15 Order and asking that they comply no later than April 2, 2024—60 days after the
16 stipulation of dismissal.

17 10. In mid-March, I became aware that a list of State Farm's confidential
18 training material and claims guidelines identical to a list compiled by Plaintiffs'
19 counsel in the *Wise* matter had recently appeared as a blog post on the website of
20 another plaintiffs' firm who also frequently handled cases against State Farm.
21 State Farm produced several of the items on this list as confidential Protected
22 Material under the Protective Order in the *Wise* matter. In addition, several of the
23 items on this list were identified in documents that State Farm produced as
24 confidential Protected Material under the Protective Order in the *Wise* matter.

25 11. As of April 2nd, I had not received any response to my February 6th
26 email, nor had I received the required certification from Plaintiffs' counsel.
27 Therefore, on April 4, 2024, I wrote to Plaintiffs' counsel citing to the Protective
28 Order and asking that they comply with their obligations. My letter specifically

1 mentioned State Farm's concerns about disclosure of confidential documents in
2 light of the recent blog post.

3 12. The same day, Plaintiffs' counsel Dylan Schaffer emailed me stating
4 that they had complied with the order but did not include any details how they
5 had done so. Nor did his email provide the required certification.

6 13. Given counsel's failure to provide any information on how they had
7 complied, or the required certification, on April 5, 2024, I again wrote to counsel
8 specifically asking that they fulfill their obligations under the Protective Order.

9 14. On the same day, I received an email from Plaintiff's counsel
10 Christopher Carling which identified various confidential documents produced by
11 State Farm and confirmed their destruction or retention consistent with the
12 Protective Order. The email addressed all of the Protected Material with bates
13 numbers up to WISEV0000003869PROD.

14 15. Upon reviewing the email and State Farm's production, I determined
15 that State Farm's batch of documents, produced on December 22, 2023, was not
16 included in the scope of documents enumerated in Mr. Carling's April 5th email.
17 That batch was bates numbered WISEV0000003870PROD-
18 WISEV0000003943PROD. Of this batch, WISEV0000003912PROD-
19 WISEV0000003943PROD were marked as confidential pursuant to the
20 Protective Order. ("12/22/23 Production"). Thinking this was merely an
21 oversight, I emailed Mr. Carling and asked that he amend his certification to
22 address that group of documents.

23 16. In the meantime, I learned that Dylan Schaffer, one of the attorneys
24 for Plaintiffs, had submitted a declaration in another case involving State Farm in
25 which he provided specific detailed information describing the confidential
26 materials produced by State Farm in the *Wise* matter and two additional cases
27 against State Farm. That declaration and its exhibits were filed in the *Savas v.*
28 *State Farm* case (Los Angeles Superior Court Case #21STCV03286) but were

1 not filed under seal and thus were available to the public.

2 17. After receiving no response to my April 15th email, I again wrote to
3 counsel on May 2, 2024, explaining the need for them to address the 12/22/23
4 Production.

5 18. On May 2, 2024, Mr. Schaffer emailed me advising that Mr. Carling
6 had left the Kerley Schaffer firm, and telling me that it was his impression a “full
7 statement of compliance” had been provided and asking for a detailed description
8 of the deficiencies.

9 19. In response to his request for a detailed description of the
10 deficiencies, on May 3, 2024, I forwarded Mr. Schaffer copies of My April 5th
11 email and letter, Mr. Carling’s April 5th email, my April 15th email and my May
12 2nd letter. This provided Mr. Schaffer with what had been certified under the
13 Protective Order and what still needed to be—clearly identifying the missing
14 documents by production date and bates number.

15 20. Mr. Schaffer responded by email on the same day asking for me to
16 articulate what I wanted or believed was owing to State Farm.

17 21. Despite having identified the issue and missing documents, I
18 responded the same day explaining the problem as simply as possible. I
19 explained that Mr. Carling’s compliance email of April 5th left off a group of
20 documents produced by State Farm on 12/22/23 bates numbered
21 WISEV00003870-3943 and that we were asking that counsel fix that oversight
22 and provide certification that included those documents.

23 22. Mr. Schaffer responded later on May 3rd, by sending another email
24 asking what sort of compliance we wanted.

25 23. Responding by email on May 3rd, I referred Mr. Schaffer to the terms
26 of the Protective Order assuring him that as long as what he provided was
27 compliant with the protective order that would be satisfactory.

1 24. Mr. Schaffer immediately responded by stating that his copy of the
2 Protective Order was in storage.

3 25. I immediately sent Mr. Schaffer a copy of the Protective Order and
4 reminded him it was also available on PACER.

5 26. Mr. Schaffer responded by complaining why I couldn't "just make
6 my life easy...?" and suggesting that State Farm's request to ensure its
7 confidential documents were handled consistent with the Protective Order was
8 because there was something State Farm was attempting to hide.

9 27. After receiving nothing further, I again wrote to Mr. Schaffer on May
10 30, 2024, detailing exactly what had occurred (Carling's email left off
11 documents), identifying the documents (by production date and bates number)
12 and asking once again that he cure the deficiency (pointing to Mr. Carling's email
13 as an example of how simple it was to do so). Given how straightforward the
14 process was, I made clear I found counsel's continued unwillingness to cooperate
15 inexplicable.

16 28. Despite this, Mr. Schaffer responded the same day by claiming that
17 he did not know what I wanted and asking me once again to explain.

18 29. Although I had clearly stated the issue and the solution on several
19 occasions, I once again explained what was needed and suggested that he simply
20 supplement Chris' earlier certification to include the documents that were left off.
21 I offered that could be done by email or letter—and just needed to be in writing
22 and clearly identify the documents by bates number.

23 30. Just minutes later, Mr. Schaffer unaccountably professed that he had
24 "no clue" what I was talking about. He then asked for 30 days to look into the
25 matter because he was ill, about to go on vacation, prepping for multiple depos,
26 and had a trial coming up.

27 31. Taking Mr. Schaffer at his word, I waited over 30 days but received
28 nothing from him or the Kerley Schaffer firm. On August 21, 2024, I sent one

1 last email to Mr. Schaffer asking for him to address the missing documents
2 consistent with ¶13 of the Protective Order. I requested he do this no later than
3 August 31, 2024.

4 32. On September 20, 2024, apparently prompted by compliance issues
5 arising in other State Farm matters, Mr. Schaffer sent me an email in the *Wise*
6 case. Despite my many previous communications with Mr. Schaffer on this
7 issue, he claimed that he did not see any issues, but that it was possible with Mr.
8 Carling's departure not everything was addressed. Despite the specificity of what
9 remained to be addressed, he provided a general assurance that was his
10 "understanding" that all other Confidential documents had been discarded.
11 Beyond the equivocation about whether the confidential documents had actually
12 been destroyed as required, nowhere in his email did Mr. Schaffer identify the
13 protected documents at issue (WISEV0000003912PROD-
14 WISEV0000003943PROD) nor did he confirm that no copies, abstracts,
15 compilations, summaries or any other format reproducing or capturing any of the
16 Protected Material had been retained as required by the Protective Order.

17 33. Because this email failed to address the issues I had raised, I sent a
18 detailed reply to Mr. Schaffer on September 25, 2024. My response recounted
19 the history of our communications, identified precisely the documents at issue
20 and reiterated the requirements of the Protective Order. It made clear State
21 Farm's position that there has not been compliance with the Protective Order in
22 this case—despite five and a half months of requests.

23 34. Finally, over five and half months later, on September 25, 2024, Mr.
24 Schaffer responded and specifically certified compliance with the protective
25 order regarding the 12/22/23 Production. We never received any explanation for
26 the reference to these confidential documents on other another counsel's website
27 or Mr. Schaffer's reference to the same documents in another State Farm matter.
28

1 I declare under penalty of perjury under the laws of the State of California
2 that the foregoing is true and correct, and that this declaration was executed on
3 November 25, 2024, at Emeryville, California.

4
5 /s/ SANDRA STONE
6 SANDRA E. STONE
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